

SENT VIA EMAIL

September 21, 2014

Joel Phelan
President
San Jose Fire Fighters, IAFF, Local 230
425 E. Santa Clara Street, Suite 300
San Jose, CA 95113

RE: Local 230's Letter Regarding Tier 2 Retirement Benefits

Dear Joel:

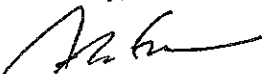
This letter is in response to your letter to the City Manager sent via email on Friday, September 19th. Local 230's letter includes a proposal regarding Tier 2 retirement benefits that are different than the benefits contained in the Arbitration Award that will become final and binding tomorrow, Monday, September 22nd.

As you mention in your letter, the Arbitration Award was issued on September 12th and will become final and binding ten days later, on September 22, 2014, absent further agreement between the City and Local 230. The City Charter states that during the ten day period, the parties may meet privately, attempt to resolve their differences, and by mutual agreement amend or modify any of the decisions of the Arbitration Board. Although the City is interested in reaching a negotiated agreement with Local 230 on Tier 2, your proposal submitted during the 10 day period cannot be accepted since, as your letter indicates, your proposal would require a vote of the people of San Jose to amend the City Charter. As you know, a vote to amend the City Charter related to benefits cannot take place until 2016.

We are, however, beginning negotiations with Local 230 on new contract since the previous contract expired on June 30, 2014. We can discuss your proposal during those negotiations, including the issue of retiree healthcare for firefighters in Tier 2. We look forward to those discussions.

Since the Arbitration Award will become final and binding on Monday, September 22, 2014, we wanted to coordinate with Local 230 on the communication with recruits about Tier 2 retirement benefits. Please let us know as soon as possible if you have any suggested edits to the draft we emailed to you on Friday.

Sincerely,



Alex Gurza
Deputy City Manager

c: Ed Shikada, City Manager
Jennifer Schembri, Deputy Director of Employee Relations